

**MEETING SUMMARY**  
**PROPERTY TAX ADMINISTRATION TASK FORCE**  
**NOVEMBER 14, 2001 10:00 AM TO 3:00 PM**

**LOCATION:** Bldg C-2, 5050 West Tennessee Street, Tallahassee, FL (e.g., Taxworld)

**FULL MEMBER SESSION-10:00 AM to 3:00 PM**

**MEMBERS PRESENT:** Rod Adams, Jimmy Alvarez, George Burnham, Bill Coleman, Morgan Gilreath, Bill Graham, Ali Korman, Sharon Outland, Ken Small, Bill Suber, Vicki Weber

**MEMBERS ABSENT:** Robert Banting, Keith Baker, Fred Cole, Terry Lewis, Randy Miller, Fred Meeker, Bob Rackleff, John Robinson, Matt Ryan, and a representative for Tax Executive's Institute.

Chairman Zingale welcomed the members at the third meeting held under the Legislature's creation of the extension of the Property Tax Administration Task Force. The chair and members spent the next half-hour discussing how the events of September 11, 2001 (World Trade Center and Pentagon Disasters) have affected the Florida economy. A brief discussion of the outcome of the November 2001 Special Session followed.

Lisa Echeverri, the Department's Legislative and Cabinet Affairs Director, provided an overview and update on the Property Tax Administration issues which had arisen from the task force, and once again, explained that the issues, though forthcoming as task force recommendations, are generally considered as Department issues from this point forward. The task force was provided with instructions on how to track the issues throughout the session through the On-line Sunshine website. Lisa handed out a document titled, "Department of Revenue—2002 Draft Legislative Concepts." This document contained the five legislative proposals of the Department concerning property tax.

Steve Keller provided a brief outline of recent court decisions related to property tax which may interest some members. The cases were: *Davis v Gulf Power* concerning whether electric industry qualifies as TPP for a new and expanding business and is a power company producing tangible personal property under that definition in the statutes. This case ruled that electricity is tangible personal property for sale. *Renesh v Clark* case settling an Amendment 10-limitation issue and whether the provision in the Florida Constitution is constitutional under the U.S. Constitution. This case says the residency requirement is okay for the purpose of the Amendment 10-limitation and homestead exemption. In *Deerfield Groves* is the first case about the market approach and the typical income versus market approach and the restricted income. In *Deerfield*, the Court stated that the property appraiser should have used the actual income as per section 429.599, Florida Statutes. But the *Deerfield* case did not say that income method must be used. The last case covered, *Pompano Park Racing*, involved a horse boarding case from Broward, specifically a racetrack with 75-acre portion used for grazing horses. The Broward VAB upheld the property appraiser's denial for 75 acres. Court overruled and said agriculture classification was applicable. This is the first Florida case to say horse boarding constitutes an agriculture endeavor. This case just applies to Broward County right now.

The final issue covered in Steve Keller's presentation was a review of an attorney general's opinion discussing the confidentiality of income information once it is presented to the VAB. The question was: Is this information public record or can it be considered confidential under Florida law? The opinion concludes that all VAB evidence is public record. While DOR suggested in its request for an opinion that there was a way to maintain the confidentiality, the attorney general disagreed and their position is that to maintain the free flow of information in Florida, under Florida law this information is required to be a

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public record. The attorney general did add that this issue may be appropriate for Legislature to extend confidentiality to these records. Mr. Keller passed out a copy of the opinion to members.

David Beggs then provided an overview on the proceedings of the Advisory Committee on Taxation of Special Districts, a committee created by 2001 Legislature to study how seaports and airports (owned by government) are handled. This committee's purpose was to identify the problems in this area. Mr. Beggs walked the members through the findings of report issued on October 1, 2001.

The committee report identified the inconsistent treatment allowed by Florida Statutes depending on whether seaport/airport authority was owned by a county or a municipality, gave the background on the concept of "public purpose" as regards cities, counties or special districts, and pointed out the lack of clarity with definition of public purpose. In conclusion, Mr. Beggs pointed out that the time frame for the existence of the committee only allowed the committee to address two of the major issues. One, consistent treatment by local governments throughout the State. Two, definition of "public purpose."

After Mr. Begg's presentation, the members discussed certain aspects of the report and considered whether this issue should continue to be one considered by the task force.

Jeff Kielbasa provided the next presentation and explained the purpose of the Property Taxpayers Bill of Rights Brochure, a document that was produced in partnership with TaxWatch. The brochure will be distributed to property appraisers' offices and DOR service centers throughout the state and is intended to explain to citizens in one document their rights and where they go to protect those rights. Mr. Kielbasa also provided an estimate of when the first draft of the Real Property Guidelines will be available for distribution to the public, our schedule for production in the past, and the changes that we've made from this point forward. The schedule is requesting comments from interested parties by Christmas and that in early spring we will put the issue forward to the public once more. He mentioned that with two more drafts, the Department would be ready to hold full-blown rule hearings. In the first version of the guidelines, attempts will be made to address only general issues. Specialty issues will have to wait until we get this draft off the table. Mr. Kielbasa requested that if members have time, or have staff who has time, to get back to DOR with comments.

After Mr. Kielbasa finished his presentation, the members discussed the significance of the guidelines to all parties.

The last presentation of the morning was by Link Jarrett, Educational Policy Coordinator for the Office of Planning, Budgeting and Management of the Florida Department of Education. Mr. Jarrett provided the members with two documents as part of his discussion: 1) "2001-02 Funding For Florida School Districts" and 2) the Florida Department of Education 2001-2002 FEFP Second Calculation Sheet. Mr. Jarrett's presentation was for the purpose of familiarizing members with how the FEFP formula works in conjunction with the Department's estimated level of assessments calculated during its in-depth study. The discussion focused on the principal of equalization and how the FEFP levels the playing field for children throughout the state.

A question and answer session followed Mr. Jarrett's presentation.

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[The meeting adjourned for lunch]

**LIST OF ISSUES TO BE CONSIDERED FOR 2001/2002 PHASE**

Upon reconvening, Jim Zingale excused himself and appointed David Beggs to sit in and moderate the rest of the day's proceedings.

The committee reviewed the list of the 43 issues that were reviewed and presented at the August 29, 2001 meeting. Sara Murdaugh facilitated the discussion as to the issues that would be generated as important to the collective task force.

The afternoon was spent going through the list of issues, make the substantive changes that need to be made to each of the issues, and the source of the issues, whether new issues or carry over from last years round of meetings. As many members were absent, the decision was made not to prioritize the issues at the meeting. An email poll is to be sent to each of the members for prioritizing.

The process of reviewing the issues took up the balance of the time remaining for the day's meeting.

The final business of the day was spent selecting a date, time and place for the next meeting. Because so many members were not in attendance, it was decided that in December the Department's staff would look at several dates and poll members by email as to a date most convenient to members. However, the meeting is to be held in the same place as today's meeting; that is 5050 West Tennessee Street, Tallahassee, Florida, Building C-2.

The meeting adjourned at approximately 3:00 PM.

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PREPARED BY KATHY HENLEY  
February 1, 2001